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DEPARTMENT OF PUBLIC SOCIAL SERVICES

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August 3, 2011

TO: Each Supervisor

FROM: Philip L. Browning, Director

SUBJECT: IMPACT OF CALFRESH UNDERUTILIZATION IN LOS ANGELES COUNTY

On April 26, 2011, the Commission for Public Social Services (PSS) issued a memo requesting the Department of Public Social Services (DPSS) to provide a report to the Board of Supervisors on the impact of underutilization of CalFresh in Los Angeles County. The PSS Commission indicated that although DPSS continues to explore many efforts to increase CalFresh utilization, there are nonetheless an estimated 50% of individuals and households who are eligible to but are not receiving CalFresh benefits in Los Angeles County.

In considering California's utilization rate, it is important to note that low-income seniors and persons with disabilities, who receive Supplemental Security Income/State Supplemental Program (SSI/SSP) benefits, receive a higher SSI/SSP grant in lieu of being eligible to CalFresh benefits. By contrast, SSI/SSP recipients in all other States are eligible to receive their States' equivalent of CalFresh benefits. This exclusion of the SSI/SSP population artificially reduces the CalFresh utilization rate; however, there are nonetheless a large number of households that are eligible to, but not receiving CalFresh. As a result, the federal nutrition funds are underutilized by Los Angeles County, as well as households eligible for benefits.

The number of individuals receiving CalFresh benefits continues to increase as a result of the Department's outreach efforts and current economic crisis. As of May 2011, CalFresh participation in Los Angeles County has topped one million individuals, an increase of 33 percent from May 2009 to May 2011. However, despite this increase in the number of CalFresh participants, the estimates of underutilization persist.

Economic Benefit to Communities with a Higher CalFresh Participation

The CalFresh Program not only offers nutrition benefits to participating individuals and households, but also supports work, and provides economic benefits to communities. The CalFresh Program brings federal dollars into communities in the form of benefits, which are redeemed by CalFresh participants at local grocers, stores, and markets.

Furthermore, according to the United States Department of Agriculture (USDA), every dollar in new CalFresh expenditures generates almost twice as much **(\$1.79)** in economic activity. These benefits become revenues for retailers; the funds cycle through the local economy, generating a multiplier effect.

Based on USDA's October 2010 research report, "The Food Assistance National Input-Output Multiplier Model and Stimulus Effects of the Supplemental Nutrition Assistance Program," the initial increase in CalFresh expenditures has a direct effect on the economic activity of the producers of the goods and services purchased, retail establishments, and the wholesale and transportation system. Moreover, their research suggests that these effects will be experienced relatively quickly, as CalFresh recipients generally spend their benefits in the same month in which they are received.

The federal benefits provided by CalFresh free up resources in household budgets, which lead to increased spending on State taxable items, thus generating sales tax for the State and counties.

Eliminating Barriers and Increasing Participation in CalFresh

The impact of CalFresh underutilization in Los Angeles County can be mitigated by reducing or eliminating barriers and increasing participation in CalFresh. The following actions may improve participation and help boost the local economy:

1. Eliminate finger-imaging requirement for CalFresh-only Applicants: California law requires that all applicants and recipients of CalFresh benefits be photographed and electronically fingerprinted. Finger-imaging is considered to be a factor by some individuals which contributes to the low utilization rate for CalFresh benefits without cash assistance because this requirement means that CalFresh participants must come to a DPSS office no later than the first annual recertification to complete the finger-imaging requirement. Absent this requirement, an applicant who uses the current on-line or mail process to apply for CalFresh would be able to complete the annual recertification by phone and mail, and would never be required to come to a DPSS office. California is one of three remaining States that require fingerprinting in order to receive these federal food benefits. The elimination of the finger-imaging requirement for CalFresh-only households (while maintaining finger-imaging of CalWORKs and GR applicants/participants) would be consistent with your Board's State Legislative Agenda.

2. **Eliminate Fear that Accepting CalFresh Benefits will Adversely Affect Immigration Status or the Ability to Become a Citizen:** Misunderstanding about the issue commonly referred to as "Public Charge" is one of the leading reasons some individuals believe that eligible households and individuals do not apply for CalFresh benefits, even though they are in need and may be eligible.

Public Charge in immigration law means that an individual is primarily dependent on the government for subsistence, as demonstrated by the receipt of public cash assistance, such as CalWORKs.

The CalFresh Program is not a public cash assistance program, but rather, a supplementary, nutrition-based, food assistance program. The perception that applying for and accepting CalFresh benefits will have such an adverse effect in becoming a lawful resident or U.S. Citizen is a myth, but a persistent one.

DPSS is determined to continuously find solutions to break down this myth, which is a barrier to CalFresh participation among the large immigrant population of Los Angeles County.

As part of the May 2011 CalFresh Awareness Month, DPSS joined federal, State, and local officials for a Public Charge Press Forum that highlighted the fact that families are not applying for CalFresh, even though they are in need and may be eligible. At the Huntington Park Farmers Market on May 4, 2011, officials from USDA, California Department of Social Services, and United States Citizenship and Immigration Services (USCIS) reinforced to the media and public that CalFresh benefits will not impact immigration status or application for naturalization. In October 2008, April 2009, and July 2011, CalFresh Live Television Broadcasts, in partnership with Univision Broadcasting Company and USCIS, featured the facts and myths of receiving CalFresh benefits and informed the viewers that CalFresh is a Supplemental Nutrition Program and a person receiving it will not be determined to be a Public Charge.

DPSS District Offices offer several USCIS forms to the public, and assist in their completion. DPSS is also partnering with the California Association of Food Banks, in conjunction with the Mexican Consulate, by having outreach staff participate in various activities where CalFresh information is distributed and applications taken.

3. **Reduce Volume of Required Paperwork:** California is the only State requiring that CalFresh participants report their income and household status every three months to maintain benefits. CalFresh participants have problems keeping up with the Quarterly Reporting requirements. Unlike Quarterly Reporting, Semi-Annual Reporting decreases errors in processing cases, improves the continuity of participation, and alleviates administrative burdens to County CalFresh Offices.

Pending State Legislation would eliminate the current requirement of Quarterly Reporting and replace it with a Semi-Annual Reporting requirement. USDA is strongly urging California to replace Quarterly Reporting with Semi-Annual Reporting.

DPSS has implemented the use of technology to reduce paper applications and verification requirements. On February 2011, DPSS implemented the Your Benefits Now online application system. This allows CalFresh applicants to submit an application from any location with Internet access, without having to come into a District Office and complete paperwork requirements.

In May 2010, DPSS implemented the Electronic Document Management System (EDMS) Pilot. This enhancement allows Eligibility Workers in the pilot offices to image verification documents, thus reducing multiple requests for the verification. Over time, EDMS will be implemented in all DPSS Offices.

4. Increase Awareness of the CalFresh Benefits: Many low-income individuals and families are unaware of CalFresh benefits or believe they do not qualify based on assumptions, confusion, or misinformation.

DPSS continues to utilize various outreach strategies to raise public awareness and increase CalFresh participation by engaging in collaborative partnerships with federal, State, and local agencies. Some of the recent strategies include:

- On September 29, 2010, the Department rolled out the Health & Nutrition Mobile Unit. The Mobile Unit promotes the CalFresh Program and delivers application services to targeted non-traditional sites. Walk-in applicants are now able to apply and be interviewed onsite, without going to a District Office. The Mobile Unit has participated in 90 outreach activities, and taken 817 applications for CalFresh benefits since its launch.
- In October 2010, the Department participated in a rebranding campaign in Long Beach, sponsored by Maria Shriver, which launched the new name and logo of the CalFresh Program. This new name will remove some of the stigma associated with the former Food Stamp Program, which could result in increased CalFresh participation.
- On April 26, 2011, the Board of Supervisors proclaimed May 2011 as CalFresh Awareness Month. This was a comprehensive well-coordinated local effort to increase program access and CalFresh participation. Throughout May, there were a series of media and community outreach events designed to increase awareness of the CalFresh Program and encourage eligible individuals and households to apply.

- On May 2, 2011, a USDA-funded radio campaign began airing CalFresh radio ads on various Los Angeles radio stations through August 31, 2011. The purpose of this campaign is to increase awareness and participation in the CalFresh Program, targeting the low-income individuals and households in Los Angeles County.
- In addition to the above, DPSS has 110 Eligibility Workers who are assigned to various off-site locations throughout the County to assist the public with information/applications for CalFresh, as well as other programs offered by the Department.

CalFresh underutilization means lost dollars and lost nutrition benefits to Los Angeles County residents.

DPSS is committed to continuously explore collaborative strategies with federal, State, and local agencies to remove barriers and increase participation in the CalFresh Program and help boost the local economy, particularly during these tough economic times.

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c: Chief Executive Officer
Deputy Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors
PSS Commission